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Creating an environment at the national and international levels conducive to generating full and productive employment and decent work for all, and its impact on sustainable development

Statement submitted by New Humanity, a non-governmental organization in consultative status with the Economic and Social Council

The Secretary-General has received the following statement, which is being circulated in accordance with paragraphs 36 and 37 of Economic and Social Council resolution 1996/31.

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Statement

Eradication of poverty, hunger and misery: economy of communion experience

Background

In 1991, while crossing the sprawling city of San Paulo, Brazil to reach Araceli, a center of the Focolare Movement and New Humanity in Brazil, Chiara Lubich witnessed the appalling contrast between the many modern skyscrapers of San Paolo and the many slum dwellings surrounding them.

The slums shocked Chiara especially with the awareness that some members of the movements she founded lived there. The way of life that Chiara had chosen to live since 1943 while enduring the air raids of World War II in Trent, Italy had sharpened her sense of neighborly love in such situations. She knew she had to do something.

During the war, she had understood with particular clarity certain words of the Gospel that she and her now lifelong companions have kept in their hearts. These were the words of the prayer that Jesus said at his Last Supper before being crucified: "Father, May they all be one, as you and I are one." This spiritual testament expressed the need for reciprocal love, a love that brings unity and a divine dimension to the lives of people through their human activities.

Responding to this ideal of living for unity became the reason for existence for Chiara and her companions while the destruction from the air raids demonstrated the precariousness of their personal objectives. Today, this ideal of living for the unity of all people involves 4 million people throughout the world.

These include people of all ages, social conditions, races, nationalities, ethnicities, religions, and beliefs. Trusting in the ideal of a united world, they have launched more than a thousand social projects including schools, hospitals, community centers, economic development activities, and thirty international towns complete with schools, houses, families, and small businesses.

In San Paolo, Chiara felt driven to find a way to insure a dignified life at least for those Brazilians that shared her way of life and who were experiencing the distress of not knowing how to meet the basic needs of their families for food, education, health care, and housing. The practice of sharing surplus goods and money with people in need practiced since the beginning of the Focolare could no longer meet all their needs.

Out of a sense of urgency, Chiara proposed "The Economy of Communion" to the two hundred and fifty thousand members of the Focolare and New Humanity in Brazil. She invited anyone who would like to do so, to freely pool together their resources to help each other. She said, "We are poor but we are many people" and we can help each other.

Chiara proposed that the people join together as shareholders to form Economy of Communion companies to create jobs for members of the community and to distribute the profits in three ways. They could allocate one part to retained earnings for company development, share a second part with people in need, and allocate the third portion for education programs to advance the idea of the Economy of Communion.

Chiara's plan was to develop 'pilot towns' to promote a "culture of communion." She suggested that similar companies in different regions consider contributing in a similar manner thus creating jobs and generating profits to distribute according to this new concept. Now, businesses all over the world

participate in the Economy of Communion with their profits primarily put in common with the needs of people living in developing countries.

The Project's Growth

This proposal seemed to defy any economic logic yet after thirteen years, 797 companies freely operate according to the principles of the Economy of Communion. These include: 226 in Italy, 178 in Western Europe, 65 in Eastern Europe, 122 in Brazil, 60 in Argentina, 44 in Central America, 43 in North America, 41 in Asia, mainly the Philippines, 8 in Australia, 7 in Africa and 3 in the Middle East.

They vary from small and middle-sized companies in various economic sectors: 202 in production, 159 in commerce, 385 in service sectors, and 51 others. Two hundred of them are owned by their shareholders, 58 partnerships, 494 have individual owners, 30 cooperatives, and 15 non-profit associations. Forty-eight companies have sales ranging from $1 million to $60 million and seven of these have sales in excess of $10 million.

Today, nine companies operate near the Araceli community in Brazil. They produce clothing, plastic containers, and detergents. They include a financial organization, a wholesale pharmaceuticals firm, a school, and a polyclinic. The majority of the four thousand investors in the company that manages this Brazilian industrial park are small shareholders, some who live in the slums. They started new business activities to raise the five dollars needed to buy one share giving them a personal stake in this project begun to help alleviate the miserable conditions in which they found themselves.

Those living in difficult economic circumstances contribute something more important to the project – they give their needs. They put their needs in common just as the businesses put their profits and jobs in common. The project needs to go ahead. With this communion of needs and of profits, the community grows towards the unity that brings a sense of satisfaction, peace, and happiness for all because all give something and all receives something in equal measure.

The Economy of Communion entrepreneurs are required to follow good management practices, to make good quality and useful products, to pay taxes and not to pay bribes, to avoid pollution and to operate in an open manner with their employees, the public administration and competitors, in what we call reasonable "economic disarmament".

What are the effects of this different kind of behavior? Entrepreneurs following the Economy of Communion face the same difficulties experienced by similar businesses and sometimes the difficulties are even greater because the culture of communion implies self-discipline. Some businesses have failed and others have begun but the total number of businesses continues to grow.

At the same time, the businesses frequently experience positive events that point to the intervention of a "providential shareholder." They experience the truth of the Gospel's promise: *"Give, and it will be given back in good measure."*

On several occasions, they also experience that the continuous search for unity between workers and managers and with suppliers, clients, and public administrators leads to what some economics scholars call "trust reflexivity," i.e., a reciprocal openness and fairness with people they encounter in the course of doing business including their competitors. This results in an economy based on a "commitment to grow together" rather than a struggle for existence.

The Human Person and the Economy of Communion

The Economy of Communion seeks to put the human being in the forefront starting with the people in need. At the same time, the Economy of Communion highlights the figure of the entrepreneur, who, it claims, is not well represented by the "Homo oeconomicus", the model of a person with the single

goal of personal *utility* who only follows the logic of rational *self-interest*. These entrepreneurs mold their companies according to their values and beliefs for the good of all, not only themselves.

Luigi Einaudi, a 20th century Italian economist who became President of the Republic of Italy in 1948 stated that the entrepreneurial motivations are more complex than the "economic" man model implies. The human person *"has the impulse to work, to produce and to save, notwithstanding what we are able to invent to disturb him, to obstruct him, or to discourage him."* This is because he or she has the vision and the intuition that *"his or her company will prosper, will acquire credit, and will inspire trust in more and more clients."* This is a main characteristic of success, which is *"as powerful as profits that the entrepreneur should obtain in different ways with less effort and more safety."*

Chiara Lubich enters more deeply in the essence of the human person saying:

> "Unlike the consumer economy, based on a culture of having,
> the Economy of Communion is based on the culture of giving.
> It might seem too difficult, ambitious, or heroic,
> but it is not so because human beings are made in the image of God who is love.
> They find their fulfillment in loving, in giving.
> This need is in the deepest recesses of their being whether they have faith or not.
> In this belief, confirmed by our experience,
> is the hope of a universal diffusion of Economy of Communion."
>
> (Chiara Lubich, December'91)

The experience of the Economy of Communion in the past thirteen years confirms that this is true. Both those in need and the business owners have discovered that God loves them and that they are in his constant presence whether at work or at home. The entrepreneurs feel the strength of this 'invisible shareholder," as if He might have obtained for them an unlimited line of credit. They leave space for Him to work in their lives and they are no longer surprised at His interventions.

Those experiencing conditions resulting from poverty feel a responsibility in sharing their needs and often share what they receive with others whose need seems greater at that moment. As their living conditions improve, some begin their own businesses sharing their profits with others through the Economy of Communion.

In companies oriented towards the Economy of Communion – and similar companies – "a capital of relationships" is formed. The value of these relationships cannot be quantified on a Balance Sheet. It is a resource that cannot be acquired through financial maneuvers or speculations. These relationships with other companies are useful in difficult moments and they continue to deepen in an environment of trust where everyone respects each other and where everyone's viewpoint is welcomed. This supportive atmosphere and intermix of expertise often leads to an innovative technical solution to an intransigent problem or a novel idea for a successful new product. It brings a sense of peace, satisfaction, and self-realization to everyone involved.

An Economic Initiative to Alleviate Misery

Can this project spread and help the world today? It is not a new economic model but an economy for new persons who want to live according to a culture of giving.

It is impossible to expand the western model based on ever-expanding consumerism endlessly throughout the entire globe because the resources do not exist to sustain it. For example, 16% of the world population in the largest economies uses 52% of the renewable oxygen of the atmosphere. Resistance to globalization remains strong and terrorism continues to find fruitful soil in countries where people fear the loss of their cultural and religious identity to western culture.

We need to find new parameters for a sustainable future, but in our opinion, to achieve this aim we need to begin a dialogue in search of a new economic and cultural model that enables all people to find personal fulfillment. It has to be a way that respects the environment and takes the well being of future generations into consideration.

New Humanity has proposed an "Economic Initiative of Communion" that applies to the human person acting on the supply side as an entrepreneur, as a consumer on the demand side, as an investor financing economic activities, or as a citizen who contributes towards the development and work of institutions.

A New Humanity congress in Genoa in June 2001 with participation from the United Nations, economists, scholars, and entrepreneurs from all continents proposed the "Genoa Document" with concrete steps for the Eradication of Hunger and Poverty.